

Exhibit 1 to the Proposed Pretrial Order

**STATEMENT OF FACTS THAT ARE ADMITTED
AND REQUIRE NO PROOF**

1. Student Finance Corporation, or SFC, is a corporation that was located in New Castle, Delaware. Student Finance Corporation has been in bankruptcy since June 5, 2002. While in bankruptcy, the affairs of SFC are being directed by a government appointed trustee, Charles A. Stanziale, Jr.

2. From the time it was formed in 1992 until its bankruptcy in 2002, SFC was in the business of making or originating loans to students at vocational schools (principally truck driving schools) and purchasing loans made directly by vocational schools to students.

3. From time to time, SFC would bundle the student loans and then sell them to Trusts. The Trusts would then issue certificates to investors. Payments to the investors on the certificates were backed by, among other things, the payment stream from the student loans. These transactions were called "securitizations."

4. As a first step in the securitization process, SFC obtained lines of credit usually from Wilmington Trust Company or PNC Bank. SFC would use the money in the lines of credit from Wilmington Trust and PNC to fund the student loans.

5. In the next step in the securitization process, SFC would sell the loans to special companies called SPVs, or Special Purpose Vehicles, that were created by SFC to hold the loans until enough loans existed that could be pooled together for a securitization.

6. Once there were enough loans in the SPV, SFC would bundle the loans and then sell them to another SPV created by SFC where they held were in a Trust. The Trust would sell certificates to investors that were backed by the pools of loans held in the various trusts. SFC would receive money from the sale of the loans.